

J. D. RYAN CALLS HIS ACCUSERS MALICIOUS

Replies Vigorously to Baker
Wire Sent by House In-
vestigators.

ACTION IS "SCANDALOUS"

Explains Refusal to Sign \$25,000,000 Railway Contract
in North.

John D. Ryan, formerly Assistant Secretary of War in charge of aircraft production, in a thirty-four page letter made public last night and sent to Representative James A. Frear, chairman of the Congressional Investigation Committee, reiterates his charge that the majority of the committee acted in a scandalous and malicious manner in the course of their investigation.

Mr. Ryan's letter to Mr. Frear is an answer to various charges made by the committee concerning the handling of the aircraft production for airplanes, and particularly the building of a logging railroad thirty-six miles long in the State of Washington at a cost of \$4,000,000. These accusations were set forth in a telegram signed by the chairman of the committee and Representative W. W. Magee of New York and addressed to Secretary Baker.

The telegram contains such an intermingling of alleged facts, hearsay, misstatements, insinuations and prophecy that it is somewhat difficult to make specific answer to its contents. Mr. Ryan says: "An examination of the message discloses that it is more by way of insinuation and such insinuation than by direct charges that reflections of the gravest character, involving my personal integrity and official conduct, are made. No fair minded person, without information other than that conveyed by the message, could read it and come to any other conclusion than that it was intended as an indictment of my personal and official integrity, notwithstanding the statement of Mr. Magee, made during the course of the hearing in New York, to the effect that no such purpose was intended."

Charges "Absolutely False."

Mr. Ryan then takes up the text of the long telegram in detail, quoting a paragraph or sentence and then making comment upon it. He says that the charges are "wholly and unqualifiedly false," "wholly false, incomplete, absolutely false, no foundation."

In each case, however, Mr. Ryan explains in detail the true facts. He says that the expenditure of \$4,000,000 for the railroad thirty-six miles long. Mr. Ryan points out that not only does this sum cover the cost of the thirty-six miles, but also expenses for the construction of the terminal facilities, yards, sidetracks and appurtenances of every kind except rolling stock.

Much space in the letter is devoted by Mr. Ryan to the intimations of the committee that his connection with the Chicago, Milwaukee and St. Paul Railroad, of which he was a director, may have had something to do with the building of the spur railroad which connected with their tracks.

Mr. Ryan quotes the following paragraph from the telegram:

"The railroad contract dated May 18 was handed to John D. Ryan, Director of Aircraft, who approved the \$25,000,000 spruce contract dated May 12, for which the railroad ostensibly was to be built. He refused to sign the railroad contract, giving as a reason his connection with the Milwaukee road. Mr. Ryan was a member of the executive committee of the Milwaukee Railroad, and the Secretary of War excused him from signing his approval, which formality was performed by Mr. Stettinius at the Secretary's request."

Concerning this statement he says: "This is the statement to which I had particular reference when I characterized at the hearing the action of the signers in sending the message and causing its publication throughout the country as scandalous, outrageous and a gross abuse of their Congressional privilege. It is true that I was a director and a member of the executive committee of the Chicago, Milwaukee and St. Paul Railroad. It is true that I did not sign the railway contract. It is true that Mr. Stettinius did sign the contract."

Impression Malicious.

"Aside from these naked facts the impression intentionally conveyed by the language used in the message is maliciously false and constitutes a grave accusation involving my personal integrity and official conduct. The language employed in this connection is susceptible of no other construction than that I, being an official of the Milwaukee railroad, which it is alleged was interested in the transaction was in fact responsible for the railway contract, and, in order to evade direct responsibility, covertly induced the Secretary of War to secure the formality of Mr. Stettinius' signature to the contract."

"Neither my attack on the committee nor the committee's attack upon me is as important as a disclosure of the facts and circumstances in connection with the matter. I was and had been a director and a member of the executive committee of the Milwaukee railroad years before the war began. That fact had no connection with my appointment to official position, but immediately when Col. Disque brought to my attention the fact that that railroad company might be directly or indirectly interested in a contract which might be negotiated by the United States Government, that moment I decided that I could and would under no circumstances have any official participation in any matter directly or indirectly involved in the negotiation or execution of the contract."

"I did the only thing that it was possible for a man to do under the circumstances, to wit, I withdrew immediately to my superior officer, the Secretary of War, informed him of my corporate connection and of the entire situation and requested to be relieved from any responsibility in connection with the matter."

"The utter recklessness" with which the telegram was sent to Secretary Baker is, in Mr. Ryan's opinion, shown by the concluding paragraph, which states that "further investigation may disclose conditions upon which a recovery can be had against John D. Ryan and others who are responsible for this wasteful expenditure of public funds."

Mr. Ryan's comment is that this is probably the first time in history that the majority of a committee vested with judicial authority has endeavored to "booster up in public opinion the impression that there had been a grave dereliction of duty by indulging in prophecy."

LA GUARDIA PLANS
BIG SUM FOR PLANES

Bill Provides for Purchase of 490 Army Machines.

Special Despatch to The Sun.

WASHINGTON, Nov. 13.—The purchase of 490 new airplanes and 960 motors for the army air service at a cost of \$16,000,000 is provided for in a bill introduced by La Guardia (D., N. Y.), President-elect

of the New York Board of Aldermen, introduced in the House today. The bill is for the same amount that has been cut out of two recent appropriations as a result of which all army aviation work is practically at a standstill.

Mr. La Guardia claims that the reason the appropriation failed in the past is that it has not been itemized, and he proposes that the sum be spent as follows: Two hundred bombing planes, 50 observation planes, 100 pursuit planes, 140 training planes and 600 Hispano-Suiza motors, 300 horse-power.

"As every one knows, I have been fighting appropriations for the air service because every request that has come from the War Department to date has been for lump sum appropriations," Representative La Guardia said. "The House is in no temper to make any lump sum appropriation for aviation equipment, having still in mind the unhappy experience of the \$640,000,000 appropriation and subsequent lump sum appropriations. It was for this reason that the item of \$15,000,000 in a deficit bill was rejected. My bill will show exactly how many planes are to be purchased and also specifies the type of plane, so that there can be no possibility of using these funds for other purposes or for buying swamp lands or giving it to favorite contractors for further junk."

"I am sure that the House will pass the bill with the appropriations so limited. We have now the personnel, and this equipment is absolutely necessary. We could have had the appropriation in the army appropriation bill if the air service would have itemized what it needed the same as the navy."

RESERVE BOARD NOT TO ACT ON N. Y. RATES

Gov. Strong Is at Capital for
Prince of Wales Dinner.

Special Despatch to The Sun.

WASHINGTON, Nov. 13.—The Federal Reserve Board contemplates no further action in regard to rediscunt rates or the money situation in New York. The board, it can be said on good authority, is satisfied with conditions and feels that a real danger in the shortening of the reserves of the New York Bank has been passed.

Benjamin Strong, Jr., governor of the Federal Reserve Bank of New York, was in Washington today, but it can be positively stated that his mission had nothing to do with the financial situation in New York. He came purely on a social errand to attend a reception to the Prince of Wales today and a dinner to-night. He had no formal conference with the Federal Reserve Board or its members though he outlined conditions for their information at an informal meeting.

The governors of all the Federal Reserve banks will meet in Washington next week, and events which led to the slump in the New York stock market coincident with the advance in money rates will be discussed but no action is anticipated.

It is known the Reserve Board viewed with concern the continued increase in speculative activity and issued many warnings against it before changes in rediscunt rates were made.

Hotel Men Cheer Haskell.

A thousand members of the New York State Hotel Men's Association cheered the words of Hubert L. Haskell of Brooklyn at a dinner in the Hotel Commodore last night as the Judge-elect stood up and explained that he would fight with his constituents against national prohibition. The members were told in some detail of Mr. Haskell's campaign and found comfort in the notion that Brooklyn at least was with them in leaning against the dry ban. Other speakers were the Rev. Charles A. Eaton, Murray Hulbert, Dock Commissioner, and the Rev. H. A. Mooney of Buffalo. Edward M. Tierney of the Hotel Ansonia presided.

MEN OF COMMERCE WAR ON AGITATORS

Annual Meeting of the State
Chamber Demands Sym-
pathy As Labor Remedy.

GOV. SMITH IS TOASTED

Nicholas M. Butler, Charles A.
Richmond and Sherman
Rogers the Speakers.

If we get what we want all will be well; if not, the country may go to hell.

And it was just that stuff that the members of the State Chamber of Commerce shot at when, with the guests, they sat down last night to the 151st banquet of the famous old association.

Every speaker—Nicholas Murray Butler, Dr. Charles Alexander Richmond and Sherman Rogers, among them—vibrated to the Bolshevik peril of the times; denounced the foreign born agitator whose cunning misleads American labor, recommended measures of sympathy, justice and kindness for the correction of real industrial wrongs; and, in the vast and solid body of American citizens whose hearts are in the principles of Lincoln and Roosevelt, preached a sort of triumphant optimism for the country's future that made the grand ballroom of the Waldorf-Astoria resound with fine cheering.

Only the Governor of the State was absent from this patriotic symposium, but everybody knew what Gov. Al would have said had not the serious illness of his mother forced him to break his engagement with the Chamber that he might hasten to her Brooklyn home to sit by her bedside. Alfred E. Marling hit that key as did Dr. Butler of Columbia, subsequently, when he said:

"In view of the recent stand he took, showing considerable strength and courage and backbone to stand up against what some of us feel is a sinister influence in this country, I think it would be a good thing if we arose to drink to the health and prosperity of Gov. Smith."

Toast Drunk in Water.

Up sprang the banqueters, and though they lifted beakers of ice water, the spirit was the same as if they had been quaffing the sunshine that is stored in the cellars of Rheims. Many men of note joined in this toast and responded most heartily later on to the save America addresses by Dr. Butler, Dr. Richmond, president of Union College, and Mr. Rogers. At the guest tables, with Mr. Marling, were Lieut.-Gen. Robert L. Bullard, Commander of the Eastern Department of the Army; Bishop Charles S. Burkh, Sir A. Herbert Dixon, Senator William M. Calder, A. Barton Hepburn, Rear Admiral Robert E. Peary and E. H. Outerbridge, and upon the main floor were hundreds of merchants, bankers and professional men who lead the prosperity of New York.

Mr. Marling's preliminary address, giving the patriotic keynote of the dinner and conveying something of the facts of the solidity of the chamber, led to Dr. Butler's long speech aimed against anarchy. The President of Columbia said at the outset that he particularly regretted the absence of Gov. Smith.

"I regret it," he said, "for two reasons, first for the cause which has detained him and, second, because I had anticipated the pleasure of telling him to his face what sort of public service

he accomplished in saying the things he recently said.

"The aspect of the present day question which I wish to present is this: Shall we have the patience, the courage, the deep human feeling and sympathy and the constructive statesmanship to meet and solve the new problems which our life presents without destroying or overturning the foundations of our Government?"

Square Deal for Labor.

Dr. Butler answered his own question in the affirmative. He pictured the Frankenstein of labor created by the industrial and social conditions of the past century, but he thought it was a being, which was kindness and fair dealing passions, too, employed, could be made to labor for and not against the welfare of the whole people. He appealed to the great array of business men present to recognize a new fact in the life of the nation, that men who labor with their hands hereafter must be treated not as cogs in a machine but as human beings worthy of the best opportunity can give.

Dr. Richmond, speaking in the same vein but with even more emphasis, said in part:

"We are confronted at this moment by the monstrous proposition that a few hundred thousand non-radical, syndicalists, I. W. W., whatever they may call themselves, represented by leaders who impudently claim to speak for the workers of the country, but who do not, shall dominate this nation of one hundred millions, paralyze our industries, bring suffering, ruin and even death upon the innocent, threaten the Government, terrorize peaceful communities, in short, to bring about a kind of revolution which would destroy all this great structure of our national life which has cost us so many years of painful struggle and so great a sacrifice of blood and treasure. The programme has been condensed into two lines:

"The proposition of radicalism in this country is simply this: That the idle, the incompetent, the violent, the men who proved themselves inefficient in managing their own affairs, the men who are not able to control their own passions or subordinate their low desires to the rule of high principles; that these men shall be permitted to manage our public affairs and to control the life and fortunes of all the rest. That you may call an insane proposition. It is insane, but, stripped of all its tawdry disguises, this is what is in the mind of some of the so-called leaders whose influence over the masses of ignorance is as great as it is evil. Rather than live in such a country any self-respecting man would prefer to take his chance in the next world, however slim they might be, for no hell he might have to live in could possibly be worse."

Many Changes Planned.

Capt. Richard Green of Engine Company 19 and Capt. John Segale of Engine Company 2 were the first officers affected. They will change stations. Others scheduled for changes in orders which will be issued today include Capt. Frank Erie, Cornelius O'Keefe, Rudolph Braun, John J. Ryan, George Murdock and William Deacon. These are all old members of the department, who are accused of taking passive rather than active parts in the events leading up to the general upheaval.

Neglect to use disciplinary measures to quell in its inception the general spirit of rebellion which has developed in the "best paid fire department in the world" during the past two months is the cause for complaint on the part of Commissioner O'Brien against the majority of the officers, but in the case of Capt. Green he was more outspoken. He said this officer appeared to have taken

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JERSEY CITY SHAKES OUT 'RED' FIREMEN

Wholesale Transfers Are First
Step to End "Station
House Soviets."

COMMISSIONER AROUSED

Declares He Will Reorganize
Entire Department to End
Insubordination.

Wholesale dismissals and the supplanting with former service men of every member of Jersey City's uniformed fire department if necessary are threatened by Commissioner Charles F. X. O'Brien, Director of Public Safety, in his campaign to eradicate the spirit of Bolshevism from public service organizations under his jurisdiction.

Merely as a preliminary to what is about to follow, Commissioner O'Brien said, he ordered yesterday the transfer of two captains and sixty-seven of the rank and file of the department as the first step toward breaking up the "station house soviet," whose agitators have so undermined the morale of the firemen that those in authority, it was said, were openly ridiculed and orders from superiors were deliberately disobeyed, even in times of emergency.

Since forming a union two months ago the men took the attitude that they were in control. They defied their officers to make complaints against them, and in at least one instance Commissioner O'Brien found an investigation, an officer sided openly with those in his station. It is to this union, which is said to have affiliated with the American Federation of Labor, and conditions which have been an outgrowth of its organization, that the Public Safety Director is determined to put an end.

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stand in support of the general dis- obedience of orders and carelessness of his men, and that in this case the trans- fer was to be looked upon as a demotion and a public expression of the Commis- sioner's disapproval.

The general shakeup came with an unexpectedness which took Jersey City by surprise. It was not even contemplated by Commissioner O'Brien himself when he took up the routine business of department trials in his City Hall office Wednesday. Benjamin Wiekham of Hook and Ladder Company 6, pleaded guilty to misappropriating \$384 of the funds of the Firemen's Mutual Benefit Association, an organization which was the forerunner of the present union. Evidence concerning the formation of a union during the absence of Chief Roger Boyle was forthcoming.

Then came the trial of Frederick Seebeck of Engine Company 9, who was charged with the loss of a fire nozzle, general carelessness and neglect of duty. The trials of Ernest Engelstadler of Hook and Ladder Company 6, charged with insubordination, sleeping on duty and swearing at a superior officer; William Connell of Hook and Ladder Company 1, charged with neglect of duty, and others followed in quick succession.

Big Shakeup Likely.

Evidence tending to show lack of discipline was brought out and the Commissioner acted immediately when officers commanding station houses confessed to their inability to control the men under them. Orders followed in rapid succession. Few of the 340 men in the department will not be affected before the matter is disposed of, and in addition to a number of dismissals numerous voluntary resignations are expected from men who do not care to take their chances on public hearings of the charges against them. Commissioner O'Brien said yesterday:

"There is evidence that the entire department has been swayed by a little coterie of men and every one of these must go. I require that all men in the department must be firemen first. They can be lawyers, agitators and politicians after that if they wish, but there is no place in this department for 'fire station statesmen' and I don't want their political friendship. They will receive no protection here."

There was a trace of the disappointment he appeared to feel in "his fire department" when the Commissioner told of his efforts on behalf of the men. He said:

"They have the two platoon system, the first department in America to employ this. They receive full pay for days off and in times of illness, and the scale of wages is higher than in New York. First year men receive \$1,400 a year, second year men \$1,500 and fourth year men \$1,600. At the next Legislature I intend to introduce a bill providing a pension fund and half pay for life or until otherwise provided for for widows and children of firemen. I took great pride in the department and its efficiency and I will continue to maintain that standard of efficiency if I have to reorganize it from top to bottom. Conditions which existed in Boston will not be permitted to exist here, nor will there be meetings of the men to decide whether or not they shall turn out to fight a fire."

HIRSHFIELD APPLE TRIP INVESTIGATED

Grand Jury Wants to Know
Who Paid Bills for
Catskill Run.

TWO NIECES ON JUNKET

Commissioner Says He Footed
Expenses and Sought to
Save Money for City.

The extraordinary Grand Jury, which has diverted its probe of the Interborough strike into a free lance investigation of the doings of various public officials, became deeply interested yesterday in an automobile trip which David Hirschfeld, Commissioner of Accounts, made to the Catskills during the last summer.

Mr. Hirschfeld took with him on this trip, according to his own statement, two of his nieces, and the obvious object of the excursion yesterday was to ascertain just how much of the bill was paid by Mr. Hirschfeld.

It was for the purpose of being enlightened upon this point that the Grand Jury sought information yesterday from Mr. Hirschfeld's chief clerk while the Commissioner of Accounts rested comfortably for more than an hour in an armchair. It was also with this end in view that the Grand Jury subpoenaed a statement of the Catskill trip, a list of hotels where the party stopped and the vouchers for the money expended upon the journey.

Just what Mr. Hirschfeld said to the Grand Jury is one of those official secrets which outsiders dare not inquire into, but what he said to reporters about his trip after leaving the Grand Jury room threw much light upon that Catskill pilgrimage and revealed that Mr. Hirschfeld was innocently sleuthing for apples which he thought should go to the city institutions instead of into the stomachs of little boys in the Catskills; also that he paid the expenses of his nieces himself.

"Since I came to this office, he explained, "I have been advised that there were many buildings along the Ashokan watershed and reservoir occupied by various people and that the city did not receive any income from the same."

"I was also told that there were apples enough throughout that reservation, if they were picked, to supply all of the city institutions, and I was told that there were farm lands there from which the city was not getting an income. I therefore decided to make a thorough inspection of these things, and I went up there with one of my men, leaving on a Friday and returning the following Monday evening, expending all told, for myself, my assistant and

the chauffeur, at the rate of about \$1 a day, including food."

"Having to go there anyway and having room in the car I invited two of my nieces, children of my sister, to go along with us and gave them a three or four day outing and paid their expenses out of my own pocket."

Mr. Hirschfeld stated that the motive of these two girls, Mrs. Mary Grand of 326 West Fifty-first street, had received two Grand Jury subpoenas for their appearance.

In addition to trying to solve the mystery of the Commissioner's apple hunt the Grand Jury displayed some concern regarding wire tap activities of the police; the demolition of "Honest Dan" O'Brien and proceedings against a certain delinquent house. Commissioner Hirschfeld was asked to bring with him before the body the report on this hotel.

VOTE CANVASS SPEEDS UP.

The Board of Canvassers for Manhattan made such rapid progress yesterday in going over the vote as tabulated by the election officials that the entire county should be cleared up by Saturday. In other boroughs the canvasses have progressed slowly, and in Brooklyn only two of the twenty-three Assembly districts had been completed when work was suspended last night.

So far there has been little change in the result. In Manhattan there had been a net gain of three votes for Robert L. Moran, Democratic candidate for President of the Board of Aldermen, over F. H. La Guardia, his Republican opponent, who is elected according to the returns as received on election night.

The Ninth, Tenth, Eleventh, Twelfth and Fourteenth districts were canvassed yesterday. The special committees appointed to straighten out the middle in the returns from the Fourth district will meet the inspectors this morning.

1239—Beaded Bags, Invisible frame \$15.75

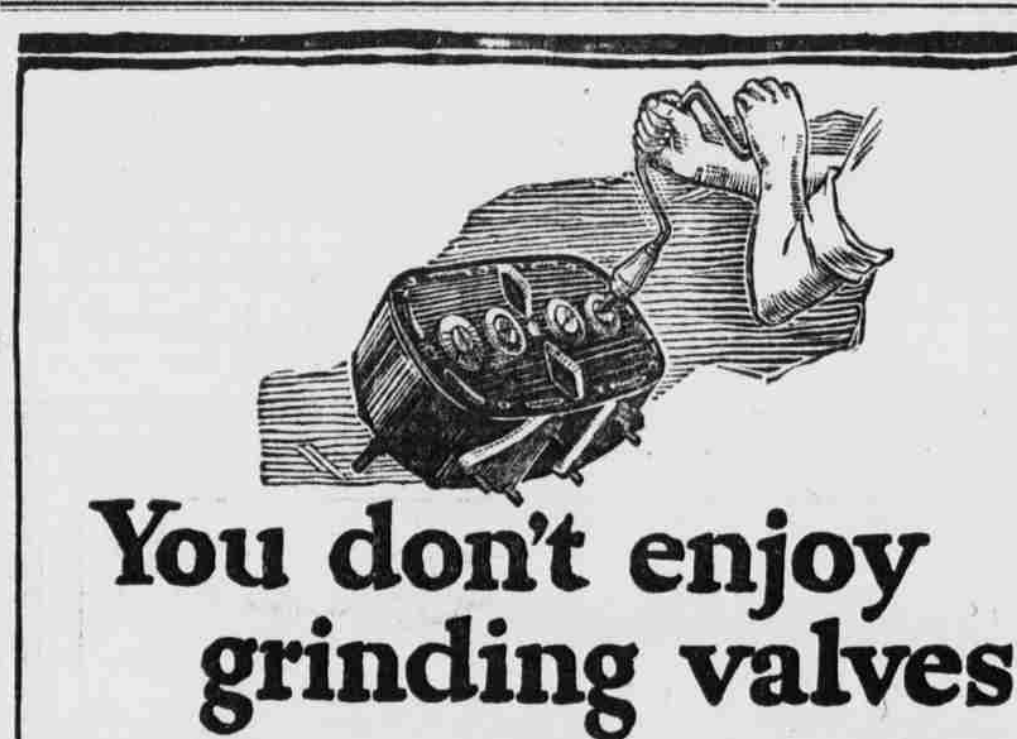
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